

BUDGET, FINANCE & INVESTMENT COMMITTEE

May 6, 2010

5:30 P.M.

Courthouse

MINUTES:

Members Present:

Comm. Bob Bullen
Comm. Joe Frank Jernigan
Comm. Will Jordan
Comm. Robert Peay, Jr.
Comm. Steve Sandlin
Comm. Doug Shafer
Comm. Joyce Ealy, Chrm.

Others Present:

Ernest Burgess
Teb Batey
Comm. Anthony Johnson
Lisa Nolen
Doug Demosi
Dana Garrett
Regina Nelson

Others Present:

Tom Walker
Clyde Jones
Doris Jones
Oscar Gardner
Jimmy Evans
Mac Nolen
Jeff Sandvig

Others Present:

Mike Nunley
Janet Bowman
Elaine Short

Chairman Ealy presided and called the meeting to order at 5:30 P.M. with all members being present.

INVESTMENT REPORT:

Mr. Teb Batey, Trustee, presented the monthly Investment Report for the use and information of the committee advising that the LGIP interest rate for the month was .23%, which was an increase of 2 basis points over the previous month. Mr. Batey advised that there were three investment transactions during the month, and that Regions Bank had offered to pay 1% for a year with no limitations.

Following review, Comm. Sandlin moved, seconded by Comm. Jernigan to approve the monthly Investment Report as presented.

FUND CONDITION REPORT:

Finance Director Lisa Nolen presented the Fund Condition Report for the month ending April 30, 2010 advising that the Development Tax collections for the month totaled \$87,000, and the year-to-date collections were \$1,210,500. This compared to the same period last year when \$161,250 was collected for the month of April, and the year-to-date collections were \$2,457,750.

The committee reviewed the funds' cash balances, which at the end of April totaled \$188,675,455 with \$167,260,005 being operating funds, and \$21,415,450 being borrowed funds. This compared to the same period last year when the funds' cash balances totaled \$150,538,458 with operating funds being \$139,356,929 and borrowed funds being \$11,181,529.

The Finance Director brought the committees attention to the 2010 Fall Creek Subdivision under Fund 171, General Capital Projects, in the amount of \$248,330. She advised that the developer had not finished the project and the bond had to be called to finish some infrastructure. She advised that the insurance money had been placed in a separate project.

Mayor Burgess stated that he believed that the money from the bond was probably substantially more than it would cost to do the remedial work.

The Finance Director provided an analysis of the revenue collections to date advising that the local tax collections were running ahead of previous years. She pointed out that the Federal Government revenue collections stood at 21% collected for the year. She stated that what was driving that down was the fact that there was a lot of money budgeted for collections from Homeland Security and the Health Department. She explained that the money would be received, but it would be received next Fiscal Year.

Following review, Comm. Jordan moved, seconded by Comm. Sandlin to approve the Fund Condition Report as presented. The motion passed unanimously by acclamation.

GENERAL FUND BUDGET AMENDMENTS**PLANNING & ENGINEERING:**

Mr. Doug Demosi, Planning Director, requested approval of the following budget transfer to provide additional part time hours required for office coverage due to the loss of a full time position:

From: 101-51720-161 – Secretary -	\$2,520
To: 101-51720-169 – Part Time Personnel -	\$2,520

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget transfer for the Planning Department to transfer \$2,520 from Account 101-51720-161, Secretary, to Account 101-51720-169 – Part Time Personnel as requested. The motion passed unanimously by roll call vote.

INSURANCE DEPARTMENT:

The Finance Director advised that as part of CIGNA's contract with the county, they have offered \$8,500 toward employee wellness programs. The county must first spend the funds, and then be reimbursed by CIGNA. She requested approval of the following budget amendment to recognize the contribution from CIGNA and to appropriate it for qualifying purchases for the wellness programs:

Increase Revenue:	101-44570 – Contributions & Gifts -	\$8,500
Increase Expend.:	101-51920-599 – Other Charges -	\$8,500

Comm. Jordan moved, seconded by Comm. Peay to approve the budget amendment for the Insurance Department as requested to recognize a contribution from CIGNA in the amount of \$8,500 and to appropriate it to Account 101-51920-599, Other Charges, to make purchases or provide incentives regarding the wellness programs. The motion passed unanimously by roll call vote.

MISCELLANEOUS:

Chairman Ealy presented the following budget amendment to the committee for approval as recommended by the Public Safety Committee to recognize the contributions received from various organizations, and to appropriate the funds for a monument to "Fallen Firefighters" to be located on the courthouse grounds:

Increase Revenue:	101-44570 – Contributions/Gifts -	\$4,200
Increase Expend.:	101-58900-799 – Other Capital Outlay -	\$4,200

The contributions from the various organizations were as follows: Rutherford Fire Chief's Association - \$1,000; Rutherford Volunteer Fire Department - \$200; Lascassas Volunteer Fire Department - \$500; Murfreesboro Fire Fighters Association - \$500; Smyrna Fire Fighters - \$550; Firehouse Fellowship - \$500; NAFECO - \$250; Pro Fire Equipment - \$200; and Kroger - \$500.

Commissioner Peay moved, seconded by Comm. Shafer to approve the budget amendment to recognize the contributions from various organizations in the amount of \$4,200 and to appropriate the funds for a monument to "Fallen Firefighters" to be located on the courthouse grounds. The motion passed unanimously by roll call vote.

YOUTH SERVICES:

The Finance Director requested approval of the following budget amendment to provide adequate funding for the Employee Insurance Account for the Youth Services Department based on the actual participation in the health insurance plan:

From: 101-58600-205 – Employee Benefits/Employee Insurance -	\$4,000
To: 101-53910-205 – Youth Services/Employee Insurance -	\$4,000

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget amendment for the Youth Services Department, Employee Insurance Account in the amount of \$4,000 as requested. The motion passed unanimously by roll call vote.

JUVENILE DETENTION:

The Finance Director requested approval of the following budget transfer for the Juvenile Detention Department to provide additional funding for the Guards Account due to an employee leaving in November, and the position was filled in December; and secondly, to provide funding to the Overtime Pay Account to pay down an employee's compensatory time by half (120 hrs.). Money was available in the Attendants line item due to turnover:

From: 101-54240-164 – Attendants -	\$3,442
To: 101-54240-160 – Guards -	\$1,852
101-54240-187 – Overtime Pay -	\$1,590

Comm. Peay moved, seconded by Comm. Shafer to approve the budget amendment for the Juvenile Detention Center transferring \$3,442 from Account 101-54240-164, Attendants, with \$1,852 to Account 101-54240-160, Guards, and \$1,590 to Account 101-54240-187, Overtime Pay, to provide funding for filling a position in December that became vacant in November and to pay down an employee's compensatory time by one half (120 hrs.). The motion passed unanimously by roll call vote.

SEX OFFENDER REGISTRY:

Chief Regina Nelson requested approval of the following budget amendment to recognize revenue received from the Sex Offender Registry in the amount of \$500 and to appropriate the revenue to Account 101-54160-599, Other Charges, to cover a TBI invoice for estimated Sex Offender Registry fees:

Increase Revenue:	101-43395 – Sex Offender Registry Fee -	\$500
Increase Expend.:	101-54160-599 – Other Charges -	\$500

Chief Nelson also requested approval of the following budget amendments to recognize revenue in the amount of \$18,825 for the State Criminal Alien Assistance Program and to appropriate the revenue for Maintenance & Repairs of Building for Detention; to transfer \$3,600 from the Detention Maintenance Agreements Account to cover estimated custodial cleaning supplies and estimated equipment repairs; to transfer \$24,000 from the Utilities Account to cover building improvements for replacing bulbs with more efficient compact fluorescent bulbs and to cover estimated extradition costs in the Detention budget; and to transfer \$400 within the ARRA Sheriff 2009 Byrne JAG to purchase workbooks for the re-entry grant program:

Increase Revenue:	101-47990 – Other Federal Revenue:	\$18,825
Increase Expend.:	101-54210-335 – Maint./Repair Buildings -	\$18,825
From: 101-54210-334 – Maintenance Agreements -	\$ 3,600	
To: 101-54210-410 – Custodial Supplies -	\$ 1,600	
101-54210-336 – Maint./Repair Equipment -	2,000	
From: 101-54210-452 – Utilities -	\$24,000	
To: 101-54210-707 – Building Improvements -	\$15,000	
101-54210-354 – Transportation Other Than Students -	9,000	
From: 101-58803-355 – Travel -	\$ 400	
To: 101-58803-499 – Other Supplies/Materials -	\$ 400	

Following review, Comm. Sandlin moved, seconded by Comm. Peay to approve the budget amendments and transfers for the Sheriff's Department as requested to recognize \$500 in revenue for the Sex Offender Registry and to appropriate the \$500 to Account 101-54160-599, Other Charges; to recognize revenue from the State Criminal Alien Assistance Program in the amount of \$18,825 and to appropriate the \$18,825 to Account 101-54210-335, Maintenance & Repair of Buildings; to transfer \$3,600 from Account 101-54210-334, Maintenance Agreements, with \$1,600 to Account 101-54210-410, Custodial Supplies, and \$2,000 to Account 101-54210-336, Maintenance & Repair of Equipment; to transfer \$24,000 from Account 101-54210-452, Utilities, with \$15,000 to Account 101-54210-707, Building Improvements, and \$9,000 to Account 101-54210-354, Transportation Other Than Students; and to transfer \$400 from Account 101-58803-355, Travel, to Account 101-58803-499, Other Supplies & Materials. The motion passed unanimously by roll call vote.

HEALTH DEPARTMENT:

Ms. Dana Garrett, Health Department Director, advised that funds had been received from the Federal Government to assist with the H1N1 crisis. She advised that the funding was specifically for hiring nurses to administer the vaccination. She advised that all of the money was not used, and the state has approved an amendment to the contract to allow the unused H1N1 contract dollars to be used to purchase supplies to plan for other events and to repair some items that were damaged. She requested approval of the following budget transfer to allow the unused H1N1 contract dollars to be used for repairs, supplies, and equipment:

From: 101-55190-399 – Other Contracted Services -	\$51,500
To: 101-55190-335 – Maint./Repair Buildings -	\$29,000
101-55190-499 – Other Supplies/Materials -	4,800
101-55190-711 – Furniture/Fixtures -	3,000
101-55190-735 – Health Equipment -	14,700

Following review, Comm. Jernigan moved, seconded by Comm. Sandlin to approve the budget transfers for the Health Department as requested to transfer \$51,500 from Account 101-55190-399, Contracted Services, with \$29,000 to Account 101-55190-335, Maint./Repair Buildings; \$4,800 to Account 101-55190-499, Other Supplies & Materials; \$3,000 to Account 101-55190-711, Furniture & Fixtures; and \$14,700 to Account 101-55190-735, Health Equipment. The motion passed unanimously by roll call vote.

ELECTION COMMISSION:

The Finance Director requested approval of the following budget amendment for the Election Commission to pay legal fees for the Election Commission and the Election Administrator utilizing funds from the Miscellaneous function:

From: 101-58900-321 – Engineering Services -	\$10,000
101-58900-331 – Legal Services -	15,000
101-58900-599 – Other Charges -	7,500
To: 101-51500-331 – Legal Services -	\$25,000
101-51500-599 – Other Charges -	7,500

Comm. Shafer moved, seconded by Comm. Sandlin to forward the request for the Election Commission to the full County Commission without a recommendation. The motion passed unanimously by roll call vote.

COUNTY BUILDINGS/PET ADOPTION & WELFARE SERVICES:

The Finance Director advised that the replacement of air conditioning units at the Judicial Building Annex and at 319 North Maple at the beginning of the fiscal year were unanticipated and as a result there was insufficient funding to complete the paving project at the Rutherford County Adult Activity Center. She requested approval of the following budget amendment utilizing unspent funds in the

amount of \$53,500 in the Pet Adoption & Welfare Services budget for planned building improvements that will not occur this fiscal year and \$7,500 from the Undesignated Fund Balance:

From: 101-55120-707 – PAWS/Building Improvements -	\$53,500
101-39000 – Undesignated Fund Balance -	7,500
To: 101-51800-707 – County Buildings/Building Improvements -	\$61,000

Mrs. Nolen advised that during the 2009-10 budget process, it was planned to fund the building improvements for PAWS with Development Tax monies. She requested that the Development Tax money be redirected from the PAWS building improvements to the paving project at the Adult Activity Center.

Following review, Comm. Jernigan moved, seconded by Comm. Sandlin to approve the budget amendment for the County Buildings Department amending \$53,500 from the PAWS Account 101-55120-707, Building Improvements, and \$7,500 from Account 101-39000, Undesignated Fund Balance, with \$61,000 to Account 101-51800-707, County Buildings Building Improvements, to complete the paving project at the Rutherford County Adult Activity Center.

Comm. Peay asked if money for the PAWS project would be requested next year.

The Finance Director advised that the \$65,000 for the PAWS building improvements had been placed in the 2010-11 budget since it did not occur this fiscal year.

Following discussion, the motion to approve the budget amendment for the County Buildings Department amending \$53,500 from the PAWS Account 101-55120-707, Building Improvements and \$7,500 from Account 101-39000, Undesignated Fund Balance, with \$61,000 to Account 101-51800-707, County Buildings Building Improvements, to complete the paving project at the Rutherford County Adult Activity Center passed unanimously by roll call vote.

AMBULANCE SERVICE FUND BUDGET AMENDMENTS:

Mr. Mike Nunley, Ambulance Service Director, requested approval of the following budget amendment to recognize revenue received from Middle Tennessee State University in the amount of \$21,625 for providing medical coverage at various events to be appropriated to the Overtime Pay Account, and the related benefits:

Increase Revenue:	118-43990 – Other Charges for Service -	\$21,625
Increase Expend.:	118-55130-187 – Overtime Pay -	\$17,206
	118-55130-201 – Social Security -	1,341
	118-55130-204 – State Retirement -	2,765
	118-55130-212 – Employer Medicare -	313

Comm. Sandlin moved, seconded by Comm. Shafer to approve the budget amendment for the Ambulance Service Fund to recognize additional revenue of \$21,625 to Account 118-43990, Other Charges for Service, and to appropriate \$17,206 to Account 118-55130-187, Overtime Pay, \$1,341 to Account 118-55130-201, Social Security, \$2,765 to Account 118-55130-204, State Retirement, and \$313 to Account 118-55130-212, Employer Medicare. The motion passed unanimously by roll call vote.

Mr. Nunley next requested approval of the following budget transfers to provide funding due to the increased cost for the State EMS licensure from \$2,450 to \$6,750, to provide additional funding for the Postal Charges Account, and to provide funding to purchase a scanner to scan patient information:

From: 118-55130-322 – Evaluation/Testing -	\$5,000
To: 118-55130-399 – Other Contracted Services -	\$5,000

From: 118-55130-307 – Communications -	\$5,500
To: 118-55130-348 – Postal Charges -	\$5,500
From: 118-55130-307 – Communications -	\$5,000
To: 118-55130-719 – Office Equipment -	\$5,000

Following review, Comm. Peay moved, seconded by Comm. Sandlin to approve the budget transfers for the Ambulance Service Fund as requested transferring \$5,000 from Account 118-55130-322, Evaluation & Testing, to Account 118-55130-399, Other Contracted Services, \$5,500 from Account 118-55130-307, Communications, to Account 118-55130-348, Postal Charges, and \$5,000 from Account 118-55130-307, Communications, to Account 118-55130-719, Office Equipment. The motion passed unanimously by roll call vote.

SOLID WASTE/SANITATION FUND:

Mr. Mac Nolen, Solid Waste Director, was present and announced that the Solid Waste Department and the City of La Vergne had teamed together to open a temporary convenience center located at 664 Old Nashville Highway to aid citizens with flooding issues. It is being manned by Box 100 and is open from 8:00 A.M. to 8:00 P.M.

Mr. Nolen requested approval of the following budget amendments and transfers to provide adequate funding to complete the fiscal year for Contracts with Private Agencies and tire disposal utilizing additional revenue received from Tipping Fees; and to provide additional funding for the Tires and Tubes Account utilizing available money in the Solid Waste Equipment Account:

Increase Revenue:	116-43110 – Tipping Fees -	\$40,000
Increase Expend.:	116-55754-312 – Contracts w/Private Agencies -	\$25,000
	116-55754-359 – Disposal Fees -	15,000
From:	116-55732-733 – Solid Waste Equipment -	\$ 4,000
To:	116-55732-450 – Tires & Tubes -	\$ 4,000

Comm. Sandlin moved, seconded by Comm. Jordan to approve the budget amendments for the Solid Waste Department increasing revenues in Account 116-43110, Tipping Fees, by \$40,000 and utilizing the additional revenue with \$25,000 to Account 116-55754-312, Landfill Contracts with Private Agencies, and \$15,000 to Account 116-55754-359, Landfill Disposal Fees; and transferring \$4,000 from Account 116-55732-733, Convenience Centers Solid Waste Equipment, to Account 116-55732-450, Convenience Centers Tires & Tubes. The motion passed unanimously by roll call vote.

GENERAL PURPOSE SCHOOL FUND BUDGET AMENDMENT:

Mr. Jeff Sandvig, Assistant Superintendent, requested approval of the following budget amendment recognizing additional revenue of \$528,000 in State BEP funds, Account 141-46511, because of the state's January 2010 increase in teacher medical insurance rates, and appropriating the additional revenue to Account 141-71100-207 for additional medical insurance expenditures for regular education teachers:

Increase Revenue:	141-46511 – Basic Education Program -	\$528,000
Increase Expend.:	141-71100-207 – Medical Insurance -	\$528,000

Comm. Peay moved, seconded by Comm. Jernigan to approve the budget amendment for the General Purpose School Fund increasing Account 141-46511, Basic Education Program, by \$528,000 and increasing Account 141-71100-207, Medical Insurance, by \$528,000. The motion passed unanimously by roll call vote.

APPLICATION FOR ASSISTANCE TO FIREFIGHTERS GRANT:

Finance Director Lisa Nolen requested approval to submit an application for the 2010 Assistance to Firefighters Grant. She explained that there were two parts to the grant with the first part being vehicle acquisition. Under this section, the county would like to apply for funds for two pumper/rescue trucks at \$200,000 each for a total of \$400,000. Under part two of the grant, the county would be requesting to apply for \$500,000 to be used for a communication project.

Mayor Burgess stated that the \$500,000 would be used for funding a portion of the communication towers. He explained that the total cost of the towers was estimated at approximately \$2 million. He stated that 911 was being asked to contribute \$1 million toward the project, \$180,000 would be available from Homeland Security, and the county would have to provide approximately \$315,000.

The total amount of grant funds being requested was \$900,000.

Comm. Sandlin stated that he had some reservations about the new fire and rescue department. He stated that he was totally for the new tower and communication system. He stated that the volunteer fire departments had helped Rutherford County in a time of need for a number of years. He stated that without them the county would have been at a loss and probably would have had a lot of tragedies and maybe deaths.

The Finance Director stated that the county was only requesting to apply for the grants at this time, and that there was no guarantee that the county would receive either grant.

Following discussion, Comm. Peay moved, seconded by Comm. Shafer to authorize the County Mayor to submit an application for the 2010 Assistance to Firefighters grant in the amount of \$900,000. The motion passed unanimously by roll call vote.

Comm. Peay stated that the majority of the fire chiefs and the Fire Chiefs Association were in agreement with creating the fire and rescue department. He stated that it would help countywide.

APPROVE A CHRISTY HOUSTON FOUNDATION GRANT APPLICATION:

Mayor Burgess advised that the county was requesting to submit a grant application to the Christy Houston Foundation in the amount of \$300,000 to purchase four new 2007 model transport ambulances. The Purchasing Committee approved the bid for the 2007 ambulances, which are still under warranty and have never been titled.

Mayor Burgess stated it was also being requested to submit an application to the Christy Houston Foundation in the amount of \$400,000 as part of a \$500,000 budget estimate to construct a new fire station, which will double as the headquarters for the proposed County Fire and Rescue Department. The proposed steel building is approximately 122 sq. feet x 62 sq. feet.

Mayor Burgess advised that the grant for the ambulances stood alone. Mayor Burgess explained that currently the county had five ambulances with approximately 175,000 miles. He stated that it was time to start replacing the ambulances. He stated that the last time a new ambulance was acquired was about two years ago when the Christy Houston Foundation granted the funds to purchase a transport ambulance. Mayor Burgess stated that there was an opportunity to purchase the four new ambulances from Taylor Made. He stated that the ambulances could be purchased with a full warranty. He stated that if the ambulances were purchased new, the cost would be almost \$600,000. He stated that the official request had already been made to Christy Houston. He stated that he was very optimistic about the request.

Comm. Sandlin moved, seconded by Comm. Jernigan to authorize the County Mayor to submit an application to the Christy Houston Foundation in the amount of \$300,000 to purchase four new 2007 transport ambulances. The motion passed unanimously by roll call vote.

Regarding the new fire and rescue department, Mayor Burgess stated that he, the Finance Director, and the Grant Coordinator had developed a funding plan consisting of funds being acquired from the county,

the 911 Board, the Firefighters Grant, the Christy Houston Foundation, and the Development Tax. He stated that \$400,000 was being requested from the Christy Houston Foundation to provide funding for the construction of a new fire station, which would double as the headquarters for the proposed County Fire and Rescue Department. He stated that the \$400,000 would not provide all of the cost for the construction.

Mayor Burgess stated that if the Christy Houston Foundation granted the request, and the County Commission did not want to move forward with the project, the grant did not have to be accepted. He stated that he would like the opportunity to put all of the pieces of the funding plan together so that commissioners would have full and complete knowledge of what the entire project would cost.

Following discussion, Comm. Peay moved, seconded by Comm. Jernigan to authorize the County Mayor to submit an application to the Christy Houston Foundation in the amount of \$400,000 to provide funding for the approximately \$500,000 budget estimate to construct a new fire station.

Mayor Burgess advised that the boards of the Rutherford Rescue Department, Rutherford Volunteer Fire Department, and the Salem-Blackman Fire Department had all agreed to relinquish their individual departments and merge into the Rutherford Fire and Rescue Department. Rutherford Volunteer Fire Department has purchased a lot near Barfield and the new Veterans Parkway on the Charles Smith property. The new fire station would be constructed at that location. The county would have ownership of the location.

Comm. Sandlin stated that he would vote to apply, but when it came to the final vote for the new department, he had a lot of questions. He stated that it would be creating a new department in tough economic times.

Following discussion, the motion to authorize the County Mayor to submit an application to the Christy Houston Foundation in the amount of \$400,000 to provide funding toward the construction of a new fire station, which will double as the headquarters for the proposed County Fire and Rescue Department passed unanimously by roll call vote.

INSURANCE REPORT:

The Finance Director presented the monthly Insurance Financial Report for the use and information of the committee advising that the cost per employee for the medical and dental claims was \$584.72 for the month of April with the average cost per employee for the year being \$685.92. Compared to the same period last year, the average cost per employee was \$664.72.

The CareHere cost reflected a slight increase, and when considering the medical, dental, vision, and Carehere costs together the average was \$728.95 compared to \$710.92 for the same period last year.

Regarding the OJI Program, the year-to-date claims cost totaled \$809,647, which was 72.9% of last year's cost.

Comm. Sandlin moved, seconded by Comm. Bullen to approve the monthly Insurance Financial Report as presented. The motion passed unanimously by roll call vote.

PROPERTY & CASUALTY RENEWALS:

Ms. Janet Bowman, CCMSI Account Manager, was present to explain the property and casualty renewals for the period beginning July 1, 2010. She explained the expiring property exposures compared to the renewal exposure. She advised that the overall premium would be a savings to the county. On the property coverage the county had requested that an optional quote be provided for replacement value on property compared to agreed value. The county's property insurance currently includes replacement value. This option would be a saving of \$7,228. If the county wanted to purchase the agreed upon value, there would be a savings of \$19,715. The Insurance Committee recommended keeping the replacement cost coverage on the buildings and contents.

Ms. Bowman also advised that the casualty insurance reflected a reduction in premium even though the exposure increased. The carrier has also agreed to pay \$7,500 back to the county to be used for safety programs and training.

The overall savings for property, casualty, and crime insurance was \$23,858.

The recommended carrier for the property coverage was Allianz with a quoted premium of \$360,362 including an increase in the limit for property in course of construction from \$2,500,000 to \$3,000,000.

The recommended carrier for the crime coverage was Great American with a quoted premium of \$8,900. The crime coverage included an increase in the deductible for the public employee dishonesty with faithful performance from \$10,000 to \$25,000.

The recommended carrier for the casualty coverage was ACE USA with the same limits and same retention and a quoted premium of \$643,688, which reflected a two-year rate guarantee. ACE USA will be paying \$7,500 back to the county to be used for loss control.

Following review, Comm. Jernigan moved, seconded by Comm. Bullen to approve the property and casualty renewals effective July 1, 2010 with the property coverage being awarded to Allianz at a premium cost of \$360,362, the crime coverage being awarded to Great American with a premium cost of \$8,900 and the casualty coverage being awarded to ACE USA with a premium cost of \$643,688 for a total cost of \$1,012,950. The motion passed unanimously by roll call vote.

APPROVE HEALTH AND DENTAL INSURANCE RATES FOR 2011:

Chairman Ealy advised that the Insurance Committee had recommended health and dental insurance premium rates with an effective date of January 1, 2011.

The Finance Director provided information regarding the health and dental insurance rates for the 2011 plan year advising that there was no recommended increase for option two and three of the health insurance premiums. The Insurance Committee recommended a five percent increase to option one. For the Pre-65 retirees, the recommended motion from the Insurance Committee reflected a 15% increase to option one and a five percent increase to option two. The Finance Director explained that the necessary increase for option one for the Pre-65 retirees was 24%, but the Insurance Committee recommended a 15% increase. The 24% necessary increase would be offset by new health legislation that would help the county fund between \$15,000 and \$90,000 of those medical expenses for those retirees who are Pre-65 from age 55 to 65. The insurance committee recommended a nine percent increase in health insurance premiums for the grandfathered and the non-grandfathered Post-65 retirees.

The Insurance Committee recommended the following monthly health insurance premium rates effective January 1, 2011:

<u>County General</u>	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>
Employee	\$ 465.25	\$ 389.28	\$ 349.09
Employee + Spouse	\$ 977.03	\$ 817.49	\$ 733.09
Employee + Children	\$ 860.72	\$ 720.17	\$ 645.82
Employee + Family	\$1,349.23	\$1,128.91	\$1,012.37
 <u>Board of Education</u>	 <u>Option 1</u>	 <u>Option 2</u>	 <u>Option 3</u>
Employee	\$ 558.31	\$ 467.14	\$ 418.91
Employee + Spouse	\$1,172.43	\$ 980.99	\$ 879.71
Employee + Children	\$1,032.86	\$ 864.20	\$ 774.98
Employee + Family	\$1,619.08	\$1,354.69	\$1,214.84
 <u>Pre-65 Retirees</u>	 <u>Option 1</u>	 <u>Option 2</u>	
Single	\$ 671.88	\$ 538.64	
Family	\$1,248.04	\$ 965.15	

<u>Post-65 Retirees</u>	<u>Grandfathered</u>	<u>Non-Grandfathered</u>
Single	\$ 377.97	\$ 377.97
Two-Party	\$ 755.93	\$ 755.93
1 Over, 1 Under	\$ 805.07	\$ 805.07

The Insurance Committee recommended a 2% increase to the dental premium rates effective January 1, 2011 with the monthly rates being as follows:

<u>County General</u>	<u>Option 1</u>	<u>Option 2</u>
Single	\$ 16.86	\$ 27.70
Family	\$ 52.43	\$ 86.16
<u>Board of Education</u>	<u>Option 1</u>	<u>Option 2</u>
Single	\$ 20.23	\$ 33.25
Family	\$ 62.91	\$103.41

Following discussion, Comm. Jordan moved, seconded by Comm. Bullen to approve the health insurance and dental rates as recommended by the Insurance Committee effective January 1, 2011. The motion passed by roll call vote with Commissioners Bullen, Jordan, Shafer, and Ealy voting "yes"; and Commissioners Jernigan, Peay, and Sandlin voting "pass".

RECOMMENDATION REGARDING GASB 45 LIABILITY FOR OTHER POST-EMPLOYMENT BENEFITS:

The Finance Director reminded the committee that the county began dealing with the GASB Statement 45 regarding Other Post-Employment Benefits approximately two years ago. In February, 2009 three Resolutions were adopted by the County Commission with one being for newly hired employees after February 12, 2009, one for Pre-65 retirees, and one for Post-65 retirees.

The Insurance Committee has now made recommendations regarding active employees as to what level they will be allowed to participate in the county's health insurance program after retirement. The ultimate goal is to reduce the Annual Required Contribution (ARC).

In February 2009, the County Commission approved a resolution changing the eligibility requirements for newly hired employees from age 55 with 15 years of service and five years on the plan, age 62 with 10 years of service and five years on the plan, and any age with 30 years of service and five years on the plan to age 60 with 20 years of service and 15 years on the plan, or any age with 30 years of service and 15 years on the plan. She advised that the eligibility requirements would be consistent throughout the different levels of service.

The Insurance Committee has recommended the following eligibility changes outlining the levels at which active employees will be allowed to participate in the county's health insurance program after retirement:

New Hires (Post 6/30/10) - County will contribute \$300 per month or the actual cost of coverage, whichever is less, to each eligible retiree. Benefits will end with Medicare eligibility. Eligibility requirements are age 60 with 20 years of service and 15 years on the plan, or any age with 30 years of service and 15 years on the plan.

0-7 Years of Service as of June 30, 2010 - Pre-65 Retirees and Post 65 Retirees will receive a monthly stipend of \$500 toward insurance premiums for participation in the County plan or any other medical plan. Post-65 plan will not include pharmacy. Eligibility requirements are age 60 with 20 years of service and 15 years on the plan, Or any age with 30 years of service and 15 years on the plan.

7-10 Years of Service as of June 30, 2010 - Pre-65 Retirees and Post-65 Retirees will pay 50% of the adequate rate for themselves and 75% of the adequate rate for dependents. Post-65 plan will not include pharmacy. Eligibility requirements are age 60 with 20 years of service and 15 years on the plan, or any age with 30 years

of service and 15 years on the plan.

10-20 Years of Service as of June 30, 2010 - Pre-65 Retirees and Post 65 Retirees will pay 50% of the adequate rate for the employee and the dependent. Post 65 plan will not include pharmacy. Eligibility requirements are age 60 with 20 years of service and 10 years on the plan, or any age with 30 years of service and 10 years on the plan. **Grandfather all employees who have earned eligibility to current plans.**

20-30 Years of Service as of June 30, 2010 - No change.

These changes are expected to save the county over \$200 million by 2023. The Finance Director also advised that there was nothing that would prevent the commission from making future changes.

Comm. Peay thanked those individuals who serve on the Insurance Committee. He asked if the Health Care Reform would impact the county.

Mayor Burgess stated that at this time, he did not think it would have a material effect. He stated that the biggest change would be covering dependents to age 26, and that would probably have some effect.

Following discussion, Comm. Jordan moved, seconded by Comm. Shafer to approve the recommendations from the Insurance Committee regarding the GASB 45 Liability for Other Post-Employment Benefits.

Comm. Shafer stated that his wife worked for the Board of Education and had been on the medical plan for a number of years. He stated if the county did not move forward with action regarding the liability for post employee benefits, it would eventually bankrupt the county and there would be no medical plan. He stated that from the standpoint that the Insurance Committee voted unanimously for the changes, he believed it was his duty as an elected official to vote for the plan.

Following discussion the motion to approve the recommendations from the Insurance Committee regarding the GASB 45 Liability for Other Post-Employment Benefits passed by roll call vote with Commissioners Bullen, Jordan, Peay, Shafer and Ealy voting "yes"; and Commissioners Jernigan and Sandlin voting "pass". Comm. Peay noted that his wife was also on the county's insurance plan. He stated that most of the changes were reductions.

RESOLUTION TO ADOPT THE STRATEGIC ECONOMIC DEVELOPMENT PLAN:

Chairman Ealy advised the committee was being asked to consider a Resolution to adopt the Strategic Economic Development Plan. She stated that this was an update to the Three-Star Program. Communities seeking certification as a Three-Star community must meet certain criteria, including the adoption of a five-year strategic economic development plan. A copy of the plan was provided to the committee.

Comm. Jernigan moved, seconded by Comm. Jordan to approve the Resolution and forward the same to the County Commission to adopt the Strategic Economic Development Plan, which is a requirement for being certified as a Three-Star community.

The Finance Director stated that the benefit to Rutherford County was that the School Board was able to obtain an interest free loan for the schools' lighting program.

Following discussion, the motion to approve the Resolution and forward the same to the County Commission to adopt the Strategic Economic Development Plan passed unanimously by roll call vote.

RESOLUTION TO AFFIRM COMPLIANCE WITH FEDERAL TITLE VI REGULATIONS:

Chairman Ealy advised that communities that are designated as a Three-Star community must confirm that the community is in compliance with the regulations of Title VI of the Civil Rights Act of 1964 and the Civil Rights Restoration Act of 1987.

She requested approval of a Resolution to affirm compliance with Federal Title VI regulations declaring that Rutherford County is in compliance with the federal Title VI regulations.

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the Resolution to affirm compliance with Federal Title VI regulations and forward the same to the County Commission. The motion passed unanimously by roll call vote.

RESOLUTION TO CREATE THE RUTHERFORD FIRE AND RESCUE DEPARTMENT:

Mayor Burgess advised that an application for funds for the Assistance to Firefighters Grant could not be submitted unless the county legislative body had given authority to create a fire and rescue department. He requested approval of a Resolution to create the Rutherford Fire and Rescue Department to go along with the grant application. He stated that the establishment of the fire and rescue department would be completely subject to budget approval.

Comm. Bullen moved, seconded by Comm. Peay to approve the Resolution to create the Rutherford Fire and Rescue Department and forward the same to the County Commission.

Comm. Jernigan stated that he was hesitant to vote on the Resolution. He stated that he agreed with Comm. Sandlin's previous statements about creating a new department. He stated the more he read about it, the more questions he had. He asked if by approving the Resolution the committee would be agreeing to create the department.

Mayor Burgess explained that it would not mean that the committee was approving the fire and rescue report. He stated that the department would not be created until the commission approved funding the actual development and organization of the department. He stated that approval of the Resolution would allow the execution and development of a fire and rescue department, but it would not actually be implemented until funding had been appropriated for it. He stated that the Resolution could be approved contingent upon budget approval. He stated that he needed the Resolution to submit with the application otherwise the application could not be submitted. He stated that only a fire department could submit the application for the Assistance to Firefighters Grant.

Comm. Jordan asked if the committee approved the Resolution to create the fire and rescue department contingent upon funding if that would give the mayor permission to apply for the grant. He stated that the department would not actually be approved, because it would be contingent upon funding.

Comm. Sandlin stated that he voted for the Resolutions approving the grant applications. He stated that he believed the Resolution to create the fire and rescue department would tie the commissions hands. He stated that he believed that adoption of the Resolution would create the department.

Mayor Burgess stated that until a fire chief was appointed, the department would not be created. He stated that there was no way to appoint a fire chief until the budget was approved, which included the fire chief position.

Comm. Sandlin stated that he did not have a problem with applying for the grants, but did not agree with the Resolution to create the department.

Comm. Bullen stated that he believed the committee needed to trust the mayor, and that the mayor had stated that the department would not be created until it was funded.

Comm. Jordan stated that the county had great volunteer fire departments, and the county contributed pennies to them every year. He stated that the taxpayers were used to getting good fire protection for nothing. He stated that the Resolution stated that the department shall be funded exclusively from revenues generated by situs-based taxes collected in the unincorporated areas of the county.

The Finance Director stated that the situs-based taxes were already being collected in the General Fund. She stated that property taxes could not be used to fund the fire and rescue operation. She stated that sales tax and the Hall Income Tax were both being received into the General Fund and they both were situs-based taxes.

Mayor Burgess stated that no new taxes were being implemented to fund the fire and rescue department.

Comm. Sandlin stated that from the information he had, he did not believe the creation of the new department would affect the county this year, but he was thinking about future years.

Following discussion, the motion to approve the Resolution and forward the same to the County Commission to create the Rutherford Fire and Rescue Department passed by roll call vote with Commissioner Sandlin voting “no”.

RESOLUTION RATIFYING TCA 8-21-1001 RELATIVE TO COUNTY REGISTERS:

Chairman Ealy advised the committee was being asked to consider a Resolution ratifying TCA 8-21-1001, which allows county registers to use funds for other purposes directly related to the official function of the Register of Deeds Office after purchase of computer equipment and software, make upgrades to computer equipment and software, purchase supplies, maintenance and services relating to computer equipment and software from revenue collected from data processing fees. Prior to any purchase relating to the official function of the Register from revenue collected above an amount necessary for purchasing, upgrading, supplying and maintaining computer equipment and software by the Register’s Office, the Register shall obtain the approval of the county legislative body for such purchase. The said amendment must be approved by a two-thirds vote of the county legislative body.

Mayor Burgess advised that the Register of Deeds already collects a data processing fee specifically earmarked for computer equipment and software. Adoption of the Resolution would give the Register the flexibility to use any excess funds after the computer needs were met for other purposes in the office.

Comm. Sandlin moved, seconded by Comm. Shafer to approve the Resolution and forward the same to the County Commission that by a two-thirds vote of the Rutherford County Board of Commissioners the provisions of Tennessee Code Annotated 8-21-1001 (i) be ratified, confirmed and approved. The motion passed unanimously by roll call vote.

OTHER BUSINESS

Mayor Burgess stated that in talking about the liability for the other post-employment benefits that the county might want to have some serious review about putting some money into a trust fund which would further reduce the liability. He stated that there was an adequate amount of money that could be taken out of the Employee Insurance Fund and deposited into an interest-bearing account, which would substantially reduce the liability even further.

The Finance Director stated that an irrevocable trust would have to be established. She stated that an initial amount that could be deposited to the trust account was approximately \$10 million.

Chairman Ealy reminded the committee that the first work session on the 2010-11 budget would be on Tuesday, May 11 beginning at 5:30 P.M. and beginning with the General Fund.

ADJOURNMENT:

There being no further business to be presented at this time, Chairman Ealy declared the meeting adjourned at 7:18 P.M.

Elaine Short, Secretary